



13 May 2011

National Stock Exchange of Australia
Via FAX: (02) 4929 1556

Dear Sir / Madam

**Re: Wantirna Community Financial Services Limited
Public Announcement**

Bendigo and Adelaide Bank Limited being the franchisor of the company has exercised its right pursuant to the Franchise Agreement to change the profit share between the company and Bendigo and Adelaide Bank Limited. Previously the current rate of commission paid by the franchisor to the company calculated on term deposits greater than 90 days was 0.5%. In other words if a term deposit was made by a customer where the interest rate was 6%, then 5.5% was retained by the franchisor and 0.5% was paid to the company. A similar commission of 0.5% was paid by the franchisor to the company on fixed rate home loans. The franchisor explained that the initial intention when the community bank model was created was that the margin on term deposits greater than 90 days and fixed rate home loans be shared equally between the community bank and the franchisor. With the benefit of experience, the franchisor now explains that community banks were receiving greater than their half share.

Reliant upon that information, the franchisor has unfortunately reduced the interest rates to 0.375% on term deposits greater than 90 days and 0.375% on fixed rate home loans.

The company has carried out an assessment on the impact of the change in commission rates and estimates that the income of the company will likely be reduced by between \$1,500.00 and \$2,200.00 per month leading to an approximate diminishment in the yearly gross income of the company of approximately \$24,000.00 or thereabouts. The franchisor has urged the community bank to redouble its efforts on connecting with the community to diminish the impact of the reduction in commission.

Yours faithfully

Wantirna Community Financial Services Limited ABN 43 118 000 230
Franchisee of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879
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Wantirna Community Bank® Branch

Garry H. Grace
Chairman
Wantina Community Financial Services Limited



Per:

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